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Attorneys for Kia Motors America, Inc.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MONTANA

IN RE:)	Chapter 11 Case No. 06-60855-RBK
)	Judge Ralph B. Kirscher
)	
INCREDIBLE AUTO SALES, L.L.C.,)	KIA MOTORS AMERICA, INC.'S
)	STATUS REPORT CONCERNING
)	FRANCHISE AGREEMENT AND
Debtor.)	MOTION TO CONTINUE
)	HEARING

Kia Motors America, Inc. ("KMA"), by and through its attorneys, Crowley, Haughey, Hanson, Toole & Dietrich P.L.L.P., hereby files this Status Report Concerning Franchise Agreement and Motion to Continue Hearing, and states the following:

1. Prior to the filing date of Debtor's Chapter 11 Petition, the Debtor and KMA were parties to the Kia Dealer Sales and Service Agreement dated July 1, 1997, (the "Dealer Agreement"), pursuant to which the Debtor owned and operated a Kia dealership that sold new and used automobiles from its dealership facilities in Billings, Montana (the "Dealership").

2. On or about January 6, 2007, the Debtor filed its Emergency Motion to Approve the Contract For the Sale of Assets Pursuant to U.S.C. §363 of the Bankruptcy Code and to Provide for Upset Bids Free and Clear of Liens, Claims and Encumbrances (the "Sale Motion") pursuant to which the Debtor sought approval to enter into and carry out the terms of the

provisions of an Asset Purchase Agreement dated December 29, 2006 (the “Contract”), between the Debtor and Rimrock Chrysler, Inc. (“Rimrock”), including the “Kia Motors America Franchise and all associated good will.”

3. KMA timely filed its objection to the Sale Motion, citing KMA’s contractual and statutory right to review and approve, in advance, any transfer of the Dealer Agreement to Rimrock (the “KMA Objection”).

4. A hearing on the Sale Motion was held on January 23, 2007, at which time the interested parties reached a resolution of all outstanding issues relating to the matter. The Court entered its Order dated January 24, 2007, which embodied the terms of the agreement between the interested parties, and which provided in part:

The sale of the assets under the Contract is conditioned upon KMA’s approval of Rimrock as an authorized dealer of Kia brand products in accordance with the terms and provisions of Mont. Code Ann. § 61-4-150 and the Dealer Agreement. Without prejudice to the right of KMA to give or withhold such consent, within the time set for the in Mont. Code Ann. § 61-4-150 and the Dealer Agreement, if, prior to February 26, 2007, KMA has not so approved Rimrock, the Court will hold a hearing at 9:00 a.m., on February 26, 2007, in Billings, Montana, to rule on the KMA Objection. Nothing contained in this paragraph shall operate to preclude KMA from seeking a postponement of such hearing on the grounds that Rimrock has failed, on a timely basis, to provide the necessary information to KMA to enable KMA to make its determination whether or not to approve Rimrock.

5. Further, the Court orally directed the undersigned to submit a status report prior to February 26, 2007, if it appeared that KMA would be unable to make a final determination on the approval of the assignment of the Dealer Agreement to Rimrock by February 26, 2007.

6. Rimrock has provided KMA with certain requested information and KMA is waiting for certain other information including a pro forma financial statement from Rimrock. KMA is reviewing the information it has been provided and has been diligently working towards a final approval/denial decision concerning the assignment of the Dealership Agreement to Rimrock. However, despite KMA’s diligent efforts, KMA will not be in a position to make a final decision on the matter by February 26, 2007. Accordingly, KMA respectfully requests the

Court to enter its order vacating the February 26, 2007, hearing on the KMA Objection, and continuing the matter to the Court's next regularly scheduled hearing date of March 20, 2007.

7. The undersigned has contacted counsel for Debtor, Hyundai Motor Finance Company, the United States Trustee, Rimrock Chrysler, Inc., Auto Auction of America, and Ernie and Leanne Dutton concerning this motion, and has been informed by each that there are no objections to the relief requested herein.

WHEREFORE, KMA respectfully requests that the Court enter its Order vacating the hearing on the KMA Objection currently set for February 26, 2007, and to reschedule the matter for March 20, 2007.

Dated this 22nd day of February, 2007

/s/ Alan C. Bryan

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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of February, 2007, I served a true and correct copy of the foregoing, addressed as follows and by the method shown below:

Charles W. Hingle	<input type="checkbox"/>	U.S. Mail, postage prepaid
Shane P. Coleman	<input checked="" type="checkbox"/>	Electronic service
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/s/ Alan C. Bryan